

PT 95-45  
Tax Type: PROPERTY TAX  
Issue: Religious Ownership/Use

STATE OF ILLINOIS  
DEPARTMENT OF REVENUE  
OFFICE OF ADMINISTRATIVE HEARINGS  
SPRINGFIELD, ILLINOIS

|                                  |   |                          |                   |
|----------------------------------|---|--------------------------|-------------------|
| EMMANUEL SOUTHERN BAPTIST CHURCH | ) | Docket No.(s)            | 94-70-5           |
|                                  | ) |                          |                   |
| Applicant                        | ) | PI No.                   | 04-04-22-207-005  |
|                                  | ) |                          | (Moultrie County) |
| v.                               | ) |                          |                   |
|                                  | ) |                          |                   |
| THE DEPARTMENT OF REVENUE        | ) | George H. Nafziger       |                   |
| OF THE STATE OF ILLINOIS         | ) | Administrative Law Judge |                   |

RECOMMENDATION FOR DISPOSITION

SYNOPSIS: The hearing in this matter was held at 101 West Jefferson Street, Springfield, Illinois, on April 5, 1995, to determine whether or not Moultrie County parcel No. 04-04-22-207-005 and the building thereon, should be exempt from real estate tax for the 1994 assessment year.

Is Emmanuel Southern Baptist Church of Decatur (hereinafter referred to as "Emmanuel"), a religious organization? Did Emmanuel own the parcel here in issue during all, or part of, the 1994 assessment year? Did Emmanuel use the parcel here in issue and the building thereon, for religious purposes during all, or part of, the 1994 assessment year? Following the submission of all the evidence and a review of the record, it is determined that Emmanuel is a religious organization. It is also determined that Emmanuel owned the parcel here in issue and the building thereon, during the period January 1, 1994, through June 27, 1994. Finally, it is determined that the building on this parcel was used for the storage of church furniture, including lectern furniture, a pulpit, communion table, pulpit chairs, and pews, during the period January 1, 1994, through June 27, 1994.

FINDINGS OF FACT: The position of the Illinois Department of Revenue

(hereinafter referred to as the "Department"), in this matter, namely that the parcel here in issue and the building thereon, did not qualify for exemption during the 1994 assessment year, was established by the admission in evidence of Department's Exhibits numbered 1 through 6B.

Rev. Harley Jones, pastor of Emmanuel, was present and testified, in this matter.

The parcel here in issue and the building thereon, had previously been occupied by the First Baptist Church of Bethany. The First Baptist Church of Bethany (hereinafter referred to as "Bethany Church"), at the beginning of 1993, was about to fail, as a result of the ever dwindling size of its congregation. In an effort to revitalize Bethany Church, Emmanuel and Bethany Church entered into an agreement dated January 17, 1993, for the Watch-Care of Churches (Dept. Ex. No. 2D). As a result of this agreement, Emmanuel assumed responsibility for the debts of Bethany Church and control of its property and agreed, using the volunteer services of its members, to attempt to revitalize Bethany Church. During August 1993, Bethany Church ceased all operations. On October 9, 1993, pursuant to the Watch-Care agreement, the property of Bethany Church was conveyed to Emmanuel. From October 9, 1993, through June 27, 1994, the building on the parcel here in issue was used for the storage of church furniture, including lectern furniture, a pulpit, communion table, pulpit chairs, and pews. On February 22, 1994, and April 19, 1994 meetings were held concerning what could, or should, be done with the parcel here in issue, the building thereon, and the furniture stored therein. On May 4, 1994, the congregation of Emmanuel voted to sell the parcel here in issue and the building thereon, to one Richard Gallagher. The property was conveyed by Emmanuel to Mr. Gallagher, on June 27, 1994. Shortly before the closing on this parcel, the lectern furniture, the pulpit, communion table, and pulpit chairs, were given to the Bible Baptist Church, which is a new church

getting started in the Bethany, Illinois area. At about this same time, the pews were sold. The proceeds of the sale of the pews were given to the Carmi Children's Home. The proceeds of the sale of the parcel and building thereon, were turned over to the Associational Missions Committee of the 25-church association, of which Emmanuel is a member. Part of the proceeds of this sale were given to the 25 churches, and part of said proceeds were given to the Children's Home in Carmi. Part of said proceeds were also given to the new Bible Baptist Church of Bethany, and part were given to a new black church the Associational Missions Committee was organizing in Decatur.

1. Based on the foregoing, I find that Emmanuel, a religious organization, owned this parcel and the building thereon, during the period January 1, 1994, through June 27, 1994.

2. I further find that Emmanuel used the building on this parcel for the storage of church furniture, including lectern furniture, a pulpit, communion table, pulpit chairs, and pews, during the period January 1, 1994, through June 27, 1994.

CONCLUSIONS OF LAW: Article IX, Section 6, of the Illinois Constitution of 1970, provides in part as follows:

"The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes."

35 ILCS 200/15-40 exempts certain property from taxation in part as follows:

"All property used exclusively for religious purposes or used exclusively for school and religious purposes,...and not leased or otherwise used with a view to profit, is exempt,...."

In the case of Our Savior Lutheran Church v. Department of Revenue, 204 Ill.App.3d 1055 (5th Dist. 1990), it was determined that property owned by a church and used for the storage of church records and furniture,

qualified for exemption. I therefore conclude that the parcel here in issue and the building thereon, were owned by Emmanuel during the period January 1, 1994, through June 27, 1994, and were used for exempt purposes.

I therefore recommend that Moultrie County parcel No. 04-04-22-207-005 and the building thereon, be exempt from real estate tax for 48% of the 1994 assessment year.

I further recommend that said parcel and building thereon, be placed back on the tax rolls for 52% of the 1994 assessment year.

Respectfully Submitted,

George H. Nafziger  
Administrative Law Judge